

Utah Association of Counties Insurance Mutual Board of Directors

**November 11, 1992
St. George, Utah**

The meeting was called to order by Commissioner Tom Hatch who welcomed the members of the board.

The following individuals were present: Tom Hatch, Garfield County Commissioner; Scott Hirschi, Washington County Commissioner; Dennis Ewing, Tooele County Clerk; Dixie Thompson, Emery County Commissioner; Ken Brown, Rich County Commissioner; Jerry Hess, Davis County Deputy Attorney; Brent Gardner, UACIM Administrator; Jay Odice, Vice President of Rollins Burdick Hunter; Jess Hurtado, RBH; Harry Bowes, Consultant; Doug Alexander, Claims Manager; Guy Burningham, Litigation Management Committee Chairman; Kent Sundberg, Utah County Deputy Attorney; David Nelson, UACIM Loss Prevention Manager; and Allan Chapman, Colorado Counties Inc., Loss Prevention Manager.

PASSING OF THE MINUTES FROM AUGUST AND SEPTEMBER MEETINGS

Mr. Hess made a motion to approve the August 20, 1992 minutes. Motion passed. Mr. Ewing made a motion to accept the minutes from the September 30, 1992 meeting. Motion passed.

SETTLEMENT OF CCI'S WORKERS COMP LAWSUIT

Mr. Bowes reported on the settlement of a lawsuit filed in 1990 involving Colorado Counties Inc. Workers Comp program. He and Mr. Odice were named as defendants in the suit, however RBH was named as party to the litigation. Mr. Odice was released from the suits several months ago. Just recently, Arapaho County agreed to pay a large cash settlement to Mr. Bowes, to pay its assessment to the workers comp pool, and to hold a press conference in Colorado next week to inform the public of the settlement. Mr. Bowes expressed appreciation to the UACIM Board for not allowing rumors and other critical information to dissuade it from their working relationship.

THIRD PARTY AGREEMENT

Mr. Hurtado and Mr. Odice reported to the Board that there is only one issue holding up the brokerage agreement. The third party administration agreement for claims is completed. Mr. Peters will be traveling to Chicago within the next week or so to review those. The TPA contract needs to be renegotiated for 1993 according to Mr. Hurtado. Mr. Odice requested that only very substantial issues on the TPA be discussed further. Mr. Hurtado requested that new issues on the TPA come from Mr. Peters.

CLAIMS REPORT

Mr. Alexander presented the claims report to the Board which reviewed the claims and discussed each case as brought forth by Mr. Alexander.

REPORT FROM BROKER

A proposed policy statement on eminent domain and inverse condemnation was handed out by Mr. Burningham, chairman of the litigation management committee. He indicated that the litigation management committee will make the recommendation that the policy be adopted at the semi-annual membership meeting following the Board meeting. Mr. Burningham notified the Board that he had given his resignation as litigation management committee chairman to the litigation management committee effective at the conclusion of this Board meeting to accept a position as a district court judge. Mr. Kent Sundberg was selected to represent Utah county on the litigation committee. Ms. Thompson made a motion to appoint Mr. Sundberg as chairman of the litigation management committee. Motion passed.

Mr. Hurtado related that the renewal applications were not yet completed. Beaver county has not sent any information and several other counties have not supplied property schedules. He requested that Mr. Ewing and Ms. Thompson be authorized to sign the quarterly reports for the insurance department. Mr. Hirschi made a motion authorizing Mr. Ewing and Ms. Thompson to sign the quarterly reports for the insurance department. Motion passed.

WORKERS COMP

Mr. Gardner reviewed the Board's decision at the meeting in August to postpone any attempt at that time to begin gathering information pertaining to the formation of a workers compensation program by UACIM. However, he indicated that there has been a significant new development that may prompt the Board to reconsider. In August, the Board was reluctant to undertake the workers comp survey for two reasons: one, the need to attend to the startup and effective implementation of the Mutual as it is now, and two, a desire not to create further opposition from the ULGT. Mr. Gardner informed the Board that it was his understanding that the Utah Risk Management Association, headed by Bryce McCuewn, had petitioned the State Insurance Department for permission to start a workers comp program. That being the case, it would appear to be timely for UACIM to coordinate its activities in this area with the URMA filing making it possible for the department to review the filing on its merits and not based on opposition from other public risk insurance agencies such as ULGT. Several on the Board agreed that the timing was right for UACIM to begin a survey of the counties on workers comp. Mr. Hirschi made a motion directing UACIM to commence a survey on workers comp for the Board's review at a later date. Motion passed.

UACIM ACTUARY AND ACCOUNTING

At the Board's request, Mr. Hurtado reported that he had obtained proposals from two actuaries to prepare the actuarial report required by the insurance department. The proposals received were from Tillinghaust, a national firm, and Wilcox and Associates, a local actuary service. Mr. John

Pierce, who prepared the independent report for the insurance department filing, preferred not to bid. AON corporation affiliate will also be asked to bid to provide three proposals for the Board to choose from.

Mr. Gardner requested approval from the Board to select a local firm to perform an independent audit for 1992. Ms Thompson made a motion to authorizing Mr. Gardner to select an independent auditor. Motion passed.

1993 BUDGET

Mr. Gardner reviewed a proposed 1993 budget with the Board, including the administrative fee which will be paid to UAC for administering the Mutual. After discussing several of the budget items listed, Mr. Brown made a motion to approve the 1993 budget as proposed. Motion passed.

Assignments were given to Mr. Brown to contact Summit County, to Mr. Blackham to contact Juab county, and for Mr. Hatch to contact Morgan county concerning their interest in joining the Mutual and to set up dates for UACIM to meet with those commissions.

ELECTIONS FOR 1993 BOARD OF DIRECTORS

Mr. Hirschi nominated Mr. Gary Herbert from Utah County to serve as the new President of UACIM, and for Mr. Jerry Hess to serve as the Vice President for the remainder of the year. This action is necessary because Mr. Hatch, Mr. Hirschi, and Mr. Blackham will be resigning from the Board at the end of the UACIM Annual Membership meeting later that day. Mr. Hatch inquired as to other nominations for the office of President and Vice President. No other nominations were made. Mr. Herbert and Mr. Hess were elected as President and Vice President by acclamation.

SPECIAL EVENTS COVERAGE

Mr. Hurtado presented a new special events coverage to be offered through the Mutual as an add-on coverage to the basic policy. A number of counties had requested such coverage for their county fairs, rodeos, demolition derby's and other like events. The Board gave its permission for RBH to offer the new coverage to members of the Mutual, but to keep the Board informed as to the number of counties that purchase the additional policy.

DATE AND TIME OF JANUARY MEETING

The date and location of the January meeting of the Board was set for January 13, 1993 at 12:00 noon in the same location as the UAC Board of Directors meeting. Mr. Gardner will notify the Board of the meeting location when it is finalized.

